

THE WEEK IN REVIEW

The S&P 500 ended the week down 1.0% after the release of a whistleblower complaint ignited an impeachment push against President Trump causing political uncertainty to be reflected across markets. Further adding to negative market sentiment was a Bloomberg report indicating Trump Administration officials discussed limiting U.S. capital market investment flows into China, including potential delisting of Chinese companies on U.S. exchanges. The combination of heightened tension in both the domestic political and trade policy realms drove defensive sectors, including utilities and consumer staples, to be this week's top performing areas of the equity market.

The U.S. manufacturing sector rebounded in September with activity hitting a five-month high. The U.S. manufacturing Purchasing Managers' Index reached 51.0, up from 50.3 in August. Stronger new order growth helped boost the overall output this month, however export orders continue to weaken. On Thursday, the Commerce Department announced GDP increased at an annual rate of 2.0% in the second quarter, unchanged from the previous estimate and in line with estimates. Personal consumption rose at a 4.6% pace, a tick lower than the original reading of 4.7%.

Inflation data rose slightly in August as the Personal Income and Outlays report saw an increase in the Core PCE price index to 1.8% over the prior year, up from a previously revised 1.7% in July. Personal income rose 0.4% over the prior month. Consumer spending rose 0.1%, though noticeably less than the 0.5% increase in July. Supported by lower mortgage rates and a robust labor market, housing improved in August as new home sales rose to an annualized rate of 713,000, up from 666,000 in July. Pending home sales increased 1.6% for August, improving upon the prior month's decrease of 2.5%.

Consumer confidence fell 7.0% in September to a reading of 125.1 from 134.2 in August according to a Conference Board survey. Consumer expectations of income growth were a strong detractor as expectations declined sharply over the prior month. The report also included an uptick in bearish stock market sentiment to 35.3%, outnumbering bullish sentiment at 31.6%, and unchanged at 33.1%.

ECONOMIC INDICATOR	LATEST	3MO PRIOR	CHANGE
Initial Jobless Claims (Thousands)	213	229	▼
Conf. Board Consumer Confidence	125.1	124.3	▲
New Home Sales (Thousands Annual)	713	598	▲
GDP (QoQ Annualized)	2.0%	3.1%	▼

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	26820.25	-0.43%	14.97%	1.44%
NASDAQ	7939.63	-2.19%	19.66%	-1.27%
S&P 500	2961.79	-1.01%	18.15%	1.64%
MSCI EAFE	1895.62	-0.89%	10.22%	-4.55%
Bbg Barclays Aggregate US	2218.49	0.31%	8.40%	10.20%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	1.78%	1.97%	2.18%
10-Year Treasury	1.68%	1.47%	3.05%

REPORTS DUE NEXT WEEK	LATEST
Non-farm Payrolls (Thousands)	130
ISM Manufacturing	49.1
Average Hourly Earnings (YoY)	3.2%
Unemployment Rate	3.7%

Price returns as of the last available closing data. Source data: Bloomberg and Morningstar are believed to be correct but not verified.